



House of Representatives

General Assembly

File No. 65

February Session, 2018

House Bill No. 5240

House of Representatives, March 28, 2018

The Committee on Veterans' Affairs reported through REP. HENNESSY of the 127th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING CERTAIN VETERANS' PROPERTY TAX EXEMPTIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 12-81f of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2018, and applicable to assessment years commencing on or after*
4 *October 1, 2018*):

5 (b) Any municipality, upon approval by its legislative body, may
6 provide that any veteran entitled to an exemption from property tax in
7 accordance with subdivision (20) of section 12-81 shall be entitled to an
8 additional exemption, provided such veteran's qualifying income does
9 not exceed (1) the applicable maximum amount as provided under
10 section 12-81l, or (2) an amount established by the municipality, not
11 exceeding the maximum amount under said section 12-81l by more
12 than twenty-five thousand dollars. The exemption provided for under
13 this subsection shall be applied to the assessed value of an eligible
14 veteran's property and shall be in an amount not less than [three] fifty

- 15 thousand dollars of such assessed value.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018, and applicable to assessment years commencing on or after October 1, 2018</i>	12-81f(b)

VA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 19 \$	FY 20 \$
Various Municipalities	Grand List Reduction	None	Potential Significant

Explanation

The bill results in a potentially significant grand list reduction to municipalities that offer a property tax exemption to certain disabled veterans by increasing the minimum benefit a municipality may offer such veterans. Given an average FY 18 statewide mill rate of 30.8, the minimum benefit for certain disabled veterans would increase from \$92 to \$1,540. A grand list reduction results in a loss in property tax revenue, given a constant mill rate.

There are about 24,000 disabled veterans in Connecticut.¹ It is not known how many would be impacted by this bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to municipal grand lists and mill rates.

¹ Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

OLR Bill Analysis**HB 5240*****AN ACT CONCERNING CERTAIN VETERANS' PROPERTY TAX EXEMPTIONS.*****SUMMARY**

By law, municipalities may offer certain disabled veterans a property tax exemption in addition to the state-mandated ones. This bill increases the minimum amount a municipality must provide a disabled veteran, if it chooses to offer the additional exemption, from \$3,000 to \$50,000 of the property's assessed value.

Existing law limits those who qualify for the municipal exemption to veterans who qualify for the state-mandated disabled veteran property tax exemption and whose income is below (1) the state's income limit for other veterans' property tax exemptions set annually by the Office of Policy and Management (for 2018, \$35,300 for individuals and \$43,000 for married couples) or (2) an amount the municipality sets, up to \$25,000 more than the state limit.

EFFECTIVE DATE: October 1, 2018, and applicable to assessment years commencing on or after that date.

BACKGROUND***Veteran Defined***

By law, a veteran is anyone honorably discharged or released from active service in the U.S. Armed Forces. This includes those who served with the U.S. Army, Navy, Marine Corps, Coast Guard, and Air Force and any reserve component of these branches, including the Connecticut National Guard performing duty under Title 32 of the U.S. Code (e.g., certain Homeland Security missions)(CGS § 27-103).

Veterans with Disabilities

The law provides a state-mandated property tax exemption to veterans with a VA-rated disability of at least 10% (CGS § 12-81(20)). The disability does not have to be service-related, and, unlike the exemptions for non-disabled veterans, wartime service is not required to qualify.

Related Bills

HB 5231, reported favorably by the Veterans' Affairs Committee, allows municipalities to freeze property taxes on homes owned by certain disabled veterans or their spouse or surviving spouse.

sHB 5239, reported favorably by the Veterans' Affairs Committee, allows municipalities that provide certain additional optional veteran property tax exemptions, including those for disabled veterans, to increase the income threshold for eligibility.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 14 Nay 0 (03/14/2018)